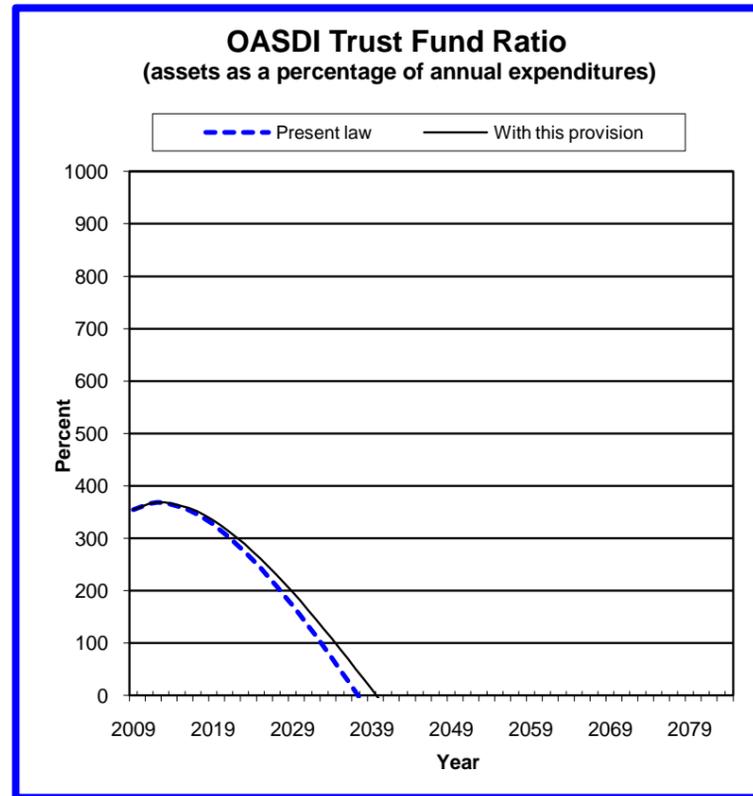
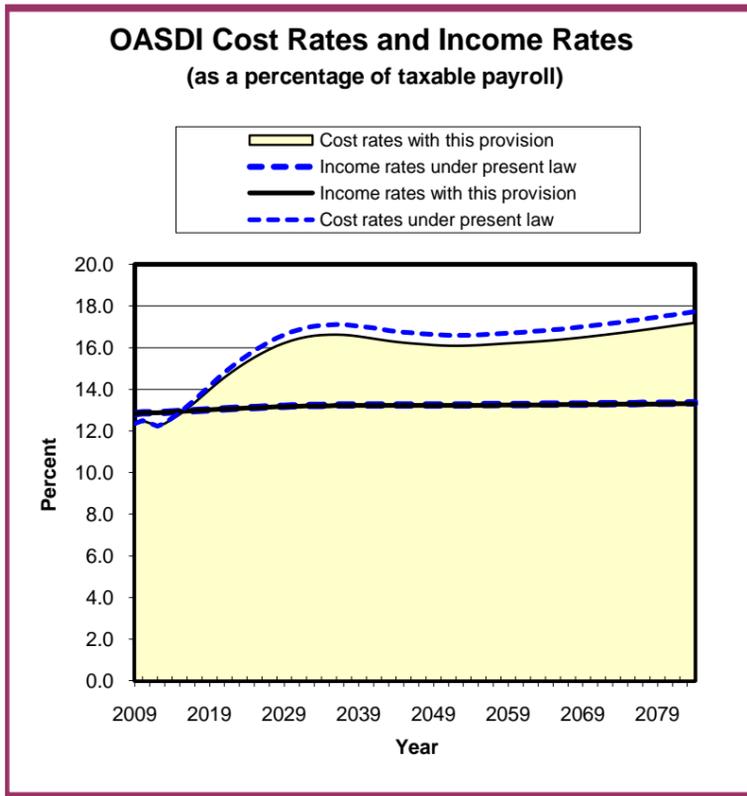


Summary Measures and Graphs
Category of Change: Cost-of-Living Adjustment

Proposed Provision: Starting with the December 2012 cost-of-living adjustment (COLA), compute the COLA using a chained version of the consumer price index for wage and salary workers (CPI-W). This new computation is estimated to result in an annual COLA that is 0.3 percentage point less, on average. The new COLA would not apply to DI benefits and would apply for all OASI benefits, except for those who are converted from disabled worker to retired worker status.

<u>Present Law</u>		<u>Change From Present Law in</u>		<u>Results with this provision</u>	
Long-Range Actuarial Balance	Annual Balance in 75th Year	Long-Range Actuarial Balance	Annual Balance in 75th Year	Long-Range Actuarial Balance	Annual Balance in 75th Year
-2.00%	-4.34%	0.36%	0.50%	-1.64%	-3.84%



Estimates based on the intermediate assumptions of the 2009 Trustees Report

Office of the Chief Actuary, Social Security
 September 28, 2010